

# THE WATCHDOG

A Periodic Newsletter from  
The Office of the United States Trustee - Region 16 [www.usdoj.gov/ust/r16](http://www.usdoj.gov/ust/r16)

April 14, 2003  
Issue No. 12

*The office has been very active this past year in bringing substantial abuse and petition preparer motions. We are already seeing improvements in the schedules filed in consumer bankruptcy cases and a reduction in some of the exorbitant fees some bankruptcy petition preparers were charging. Because our actions against fraud and abuse are now too numerous to list in this newsletter, we have simply included the more significant actions and a sampling of the smaller motions. A summary of how our overall efforts have changed from 2001 to 2002 is included on the last page of this newsletter. At the same time as we have increased our enforcement efforts in consumer cases, we have been able to increase our review of plans and disclosure statements in Chapter 11 cases. Fortunately, despite the depletion in resources available for bankruptcy fraud investigations at the law enforcement agencies, this newsletter reports a number of criminal cases filed this year as well. All in all, I think you will find that the "watchdog" efforts in this district are increasing and making a difference in a number of problem areas in bankruptcy cases.*

**Maureen A. Tighe**  
United States Trustee

## PETITION PREPARER NEWS

### Injunctions

Debtors filed a Chapter 7 bankruptcy in pro per and failed to disclose the transfer of their residence to a relative within one year prior to the filing for no consideration. They were assisted in the filing by petition preparer Linda Kim. Kim had received \$2,080 in fees instead of the \$200 disclosed in the bankruptcy papers. The evidence demonstrated that she used an attorney's name to practice law and counseled the debtors to make false statements about their assets. Her husband, Charlie So, and a business associate, Harrison Kim, also appear to have been involved. At an Order to Show Cause hearing brought by the U.S. Trustee, the attorney denied any wrongdoing but agreed to disassociate himself from any further business relationship with the other respondents. The Kims and So agreed to be permanently enjoined from being bankruptcy petition preparers and Ms. Kim agreed to pay a \$1,000 fine to the U.S. Trustee.

Judge Naugle enjoined Mr. Boyd from preparing any documents for filing in the Central District of California, reaffirmed an earlier sanction/disgorgement order, issued an additional sanction of \$3,000 and ordered \$500 to the U.S. Trustee for costs of bringing the motion.

Judge Naugle also permanently enjoined petition preparer William T. Gray from preparing any documents for filing in the U.S. Bankruptcy Court, Central District California due to his accepting the

filing fee in cash and delivering the documents to the court for filing on behalf of debtors.

Petition preparer Adele Jeter was enjoined from filing any documents in the Eastern Division of the Central District of California Bankruptcy Court and from using the words "legal," "paralegal," or any derivation thereof, in identifying herself.

Judge Naugle permanently enjoined petition preparer Robert Juarez from preparing any documents for filing in the U. S. Bankruptcy Court, Central District of California, based on debtor's declaration that Mr. Juarez collected filing fees in cash and engaged in the unauthorized practice of law. Mr. Juarez was also fined \$500 and ordered to disgorge his fee of \$180 to the debtor.

#### **Sanctions, Fines, Disgorgements**

Petition preparers Gary Fuller, Tommy Raya , Billy J. Spence and California Law Center were each sanctioned \$3,000 and ordered to pay costs to the U.S. Trustee for failure to pay court-ordered disgorgement and sanctions.

Judge Jury sanctioned petition preparer Gloria Ortiz an additional \$3,000 and awarded \$500 in costs to the U.S. Trustee for failure to pay a court-ordered disgorgement and fine in a bankruptcy case.

#### **Unauthorized Practice of Law**

Judge Peter Carroll ordered petition preparer Terri Standifer to disgorge to the debtor the entire fee charged of \$440. Not only was the fee in excess of the maximum recommended amount of \$200 for the Central District of California but Standifer also gave the debtor unauthorized legal advice in explaining the differences between Chapters 7 and 13.

### **DEBTOR I.D. PROGRAM**

The Office of the U.S. Trustee continues to combat fraud in the bankruptcy system. The U.S. Trustee has checked photo identification since March 2001 and the Social Security Number (SSN) since

February 2002 of each debtor at the first meeting of creditors. The U.S. Trustee, through its Debtor Identification Initiative, ensures that people who file bankruptcy in false names or with false SSNs are either dismissed from bankruptcy or have their discharge denied.

#### **Los Angeles**

In Los Angeles, 339 SSN problems were identified between March 2002 and March 2003 where the SSN listed on the petition was incorrect. Any mistake in the SSN listed on a bankruptcy petition will victimize the person who is assigned, or will be assigned, that number and negatively impact the person's credit rating, sometimes taking years to correct. Often victims are not aware of the misuse of their information until months after significant damage has been done.

During 2002, California led the nation in the number of overall identity theft complaints filed by victims. On a nationwide basis, 161,819 victims reported misuse of their identity information, and Californians accounted for 30,738 of those complaints. Of the 161,819 victims, the victim's information was used as follows: 42% for credit card fraud, 22% for phone or utilities fraud, 17% for bank fraud, 9% for employment related fraud, 8% for government documents/benefits fraud, 6% for loan fraud and 16% for other, including bankruptcy-related fraud. Percentages add to more than 100 because approx. 22% of victims reported experiencing more than one type of identify theft. Not surprisingly, 75% of all victims were in the working age categories between 18 and 49.

The official Petition Form, Form B1, necessitates the listing of all SSNs and all Taxpayer Identification Numbers. Since accurate and complete disclosure is contemplated by the forms, trustees are looking for disclosure of all names used within the prior six years as well as all Social Security and Taxpayer numbers used by the debtor. This allows creditors to properly identify the debtor and the account.

Persons who either fail to disclose, or who present false documentation to the trustee, may be the subject of a complaint seeking the denial of their discharge or other appropriate motions. In Los Angeles, complaints have been filed where debtors

failed to disclose that the SSN listed on the petition was not assigned to him/her and/or where debtors presented false documentation of that number to the trustee at the § 341a meeting of creditors.

Attorneys who fail to take decisive action to correct the SSN, once the matter has been identified by the trustee or otherwise brought to their attention, may be the subject of motions for disgorgement and or sanctions, as in the following cases.

In the Chapter 7 case of Javier A. Marquez and Miriam Bombela (aka Miriam Marquez), Judge Bufford granted the U.S. Trustee's motion to disgorge all fees of \$1,000 against the debtors' attorney and to compel him to comply with the Chapter 7 trustee's requests to amend the debtors' petition to correct a wrong SSN for Miriam Bombela, and to notify the three credit reporting agencies and all creditors of the same. Although Marquez's SSN had been typed on the petition, the wife's number had been handwritten. At the § 341(a) meeting, she testified that the SSN was not hers as she did not have a SSN but had an IRS Tax I.D. number instead. She stated that the SSN was not on the petition when she signed it. Investigation by the UST revealed that the number had previously been used on another Chapter 7 petition filed within the past two months for another debtor by the same attorney.

In response to the motion, debtor's attorney claimed he did not know how the number appeared on the petition, stating that perhaps it had been placed there by a staff member he had since fired. However, he still had not taken all the steps necessary to correct the problem.

### **Santa Ana**

Judge Ryan denied a discharge by default judgment to debtor Jose Lucas Torres in an adversary case pursuant to 11 U.S.C. § 727. Debtor used a false SSN and lied at the § 341(a) meeting.

### **Ninth Circuit Dismisses Appeal of False ID Filer**

On March 7, 2003, the Ninth Circuit Court of Appeals dismissed the appeal of Chapter 7 debtor

Ilda Valencia. On September 30, 2002, the District Court for the Central District of California reversed a decision in which the Bankruptcy Court held that—although debtor Valencia omitted her true SSN from the bankruptcy petition knowingly and with intent to deceive—it was not a material misrepresentation for purposes of 11 U.S.C. § 727(a)(4), nor did it show she obtained her discharge through fraud. The District Court remanded the case with instructions for the Bankruptcy Court to enter an order denying the debtor's discharge (*U.S. Trustee v. Valencia (In re Guadarrama)*, 284 B.R. 463 (C.D. Cal.2002)).

### **Riverside**

An attorney was ordered to pay \$200 to the U. S. Trustee as costs for bringing a Motion for an Order to Show Cause for failure to correct an incorrect co-debtor's SSN on the petition. The attorney subsequently corrected the error and notified the appropriate credit reporting agencies.

### **Woodland Hills**

Roosbeh Ahdoot was in escrow to purchase the home that he and his family had rented for four years.

With less than three weeks before closing, Mr. Ahdoot learned through one of his credit reports that another person had used his last name and SSN to file for bankruptcy. The bankruptcy on his credit report threatened to jeopardize his loan. The Woodland Hills Office of the U.S. Trustee confirmed Mr. Ahdoot's identity and SSN, discovered that the address listed on the petition did not exist, and applied to the Court to set an Order to Show Cause. The U.S. Trustee also learned that the petition appeared to have been filed by a paralegal who was related to the seller of Mr. Ahdoot's home, who had hoped to back out of the sale. Judge Mund granted the U. S. Trustee's application and set an Order to Show Cause. At the hearing, the Court found that Mr. Ahdoot did not file the bankruptcy. It ordered that his SSN be stricken, that the case be dismissed with a 180 day bar to refiling, and that the major credit reporting agencies immediately remove all references to the bankruptcy from his records.

## ATTORNEY ACTIONS

The State Bar of California formally disbarred Darick Wayne Holt of Los Angeles effective February 23, 2003 following an 18-month suspension from practicing law which took effect November 23, 2001. He stipulated to misconduct in six bankruptcy cases, including failing to perform legal services competently and committing an act of moral turpitude by misappropriating client funds. In addition, he did not update his bar membership records nor fully cooperate during bar investigations.

## § 727 ACTIONS

The U.S. Trustee filed a complaint pursuant to § 727 of the Bankruptcy Code to revoke the discharge of Len D. Faanes for making false statements on his bankruptcy petition. The debtor stipulated with the U.S. Trustee to revoke the discharge, and Judge Bluebond entered the order approving the stipulation on April 8, 2003. The false statements in Faanes' petition were uncovered while taking testimony of Faanes during a bankruptcy court proceeding to enjoin Faanes as a petition preparer. Faanes was also held in contempt and fined \$5,000 for violating the earlier injunction.

## SUBSTANTIAL ABUSE FILINGS

### Los Angeles

⇒ The U.S. Trustee filed an 11 U.S.C. § 707(b) motion against Zhan Qiang Li and Anna Shing-Yan Tsui, who sought to discharge \$34,377.00 in unsecured debt. They asserted monthly disposable income of \$4,508.81 and monthly expenditures of \$1,806.00. Thus, the schedules demonstrated excess monthly income of \$2,702.81 that would allow the debtors to pay back 100% to their unsecured creditors over three years through a Chapter 13 plan. They failed to respond to the U.S. Trustee's motion or appear in opposition. Judge Bufford granted the motion to dismiss. He similarly

dismissed the case of Katrina Fallo, who sought to discharge \$15,332.07, on the same grounds.

### Riverside

⇒ Judge Jury granted the U.S. Trustee's motions to dismiss the cases of Tommy Z. Boites, Deborah L. Hardison and Scott W. Sawyer for under-reporting of income. The motions were based upon review of payroll check vouchers, income tax returns, and claimed expenses. The total of the unsecured debt subsequently repayable for the three cases was in excess of \$87,000.

⇒ Judge Naugle granted the U.S. Trustee's motion to dismiss the case of Kenneth Harvey Damerow for understatement of income and failure to disclose federal and state income tax refunds. Mr. Damerow also included a deduction for support obligations on Schedule J that were being deducted from his paycheck and accounted for on Schedule I. The adjustments demonstrated that the debtor could repay all of the unsecured debt of \$21,855 over a three-year period.

⇒ On January 7, 2003, Judge Naugle heard the motion of the U.S. Trustee for dismissal of the case of Chauncey and Patricia McClain under §§ 707(a) and (b) and to determine whether compensation paid to the debtors' attorney was excessive. The judge dismissed the case, finding that the Schedules and Statement of Financial Affairs remained inaccurate, incomplete or confusing after having been amended three times. He declined to issue an order compelling disgorgement of debtors' attorney fees, finding that the attorneys would probably more than earn the fees when they prepared the documents for refiling of the case.

⇒ Debtors Albert and Margaret Rangel attempted to discharge over \$36,000 in unsecured debt. Their budget provided for retention of a boat, with a monthly obligation of \$448 and monthly payments of \$1,314 for two vehicles. Judge Jury considered the totality of the circumstances in dismissing the case.

### Santa Ana

⇒ Robert and Maria Wachter filed a voluntary Chapter 7 petition. Their schedules stated a monthly income of \$2,905 and rent of \$2,255. The schedules

were subsequently adjusted to reflect a net monthly income of \$1,541 after payment of all monthly expenses. Upon motion filed by the U.S. Trustee, the debtors converted to Chapter 13 and submitted a plan providing for 100% payment to all creditors.

### Woodland Hills

⇒ On March 25, 2003, Judge Lax granted the U.S. Trustee's motion to dismiss the case of Barry and Mary Ann Kass for substantial abuse under § 707(b) on the finding that the debtors had sufficient income to fund a repayment plan if the case were in Chapter 13. The debtors, who earn in excess of \$142,000 per year, and who devote \$1,680 per month to pension contributions and repayments, owed their general unsecured creditors \$177,672 in primarily credit card debt. In granting the motion, the Court gave the debtors 10 days within which to voluntarily convert their case to Chapter 13, or the case would be dismissed.

⇒ Judge Mund dismissed, with prejudice, the case of Katrina Ann Sangiento on the U.S. Trustee's motion to dismiss for substantial abuse under § 707(b). The debtor accumulated over \$410,000 in credit card debt on 42 credit cards within the five years preceding her bankruptcy when she had no income. Also, her Schedule J expenses exceeded her monthly income by \$740.

⇒ In the case of Chrystal Belcher, debtor had over \$15,000 in unsecured consumer debt and net disposable income of \$644 per month. Judge Riblet granted the U.S. Trustee's motion under § 707(b) on the grounds that debtor could pay 100% of her unsecured debt in a Chapter 13 case.

## REPEAT FILERS

### Los Angeles

G Since December 2002, 19 debtors in the Los Angeles Division were identified as having previously received a discharge in a case filed within six years. Seventeen of these debtors failed to disclose the prior case on the Statement of Related Cases. Collectively, these debtors had amassed

unsecured debts of \$579,617.38. Stipulations/Orders and complaints denying discharge are being pursued in each case.

### Riverside

G Judge Jury dismissed the case of Altheia Taylor with prejudice. Taylor used the documents from a prior case, purportedly forging the signature of her former counsel. She failed to appear at the Court's Order to Show Cause hearing. Judge Jury issued sanctions of \$1,000 against Taylor.

### Santa Ana

G Debtor Gregory Lee Avants filed a Chapter 13 case and disclosed on the Statement of Related Cases a prior Chapter 7 case with a discharge but did not disclose the prior case on the petition form. He converted the case to one under Chapter 7 and received a discharge. The U.S. Trustee learned of the improper discharge and filed a complaint to revoke. Judge Ryan granted the revocation of the discharge under 11 U.S.C. § 727(d).

### Woodland Hills

G Bankruptcy Court Records showed that Myrna and/or Alan Goldstein filed seven bankruptcy petitions in approximately two years, all of which had been dismissed, and one, a Chapter 13 case, with an order of in rem relief and a 180 day bar to re-filing. At a hearing on an Order to Show Cause in the most recent case, a Chapter 7 filed last month, the U.S. Trustee's Woodland Hills office presented testimony as to the false information it had discovered on several of the petitions, and examined witnesses concerning numerous efforts to foreclose on both a Beverly Hills home and a business property owned by the Goldsteins. One witness testified that just prior to one scheduled foreclosure sale, the trustee conducting the sale was faxed a face page of a bankruptcy petition. Judge Mund determined that no such petition had actually been filed, its case number was false, and the purported sticker on it, similar to that usually affixed by the court, itself was a forgery. The Court found that Myrna and Alan Goldstein acted in bad faith, ordered the case dismissed with a one year bar to re-filing by Myrna and/or Alan Goldstein, prohibited the application of any Automatic Stay to their properties, required that Alan Goldstein's

business obtain permission of the Court if were to seek to file bankruptcy, and retained jurisdiction to hear actions brought by the U.S. Trustee against any petition preparers.

## CHAPTER 11 CASES

! Judge Naugle dismissed the cases of Mohammad and Reyhaneh Abdizadeh; Rancho California Highlands II, LLC; Tracy J. Covington and Kurt R. Bickford; and Select Transportation, Inc. with judgment in favor of the U. S. Trustee for unpaid quarterly fees.

! In the case of PMS Investments, Inc., the president requested monthly compensation of \$18,000, plus a \$900 per month car allowance. The U.S. Trustee objected as the financial outlook of the debtor did not support the salary and no reasonable justification for the salary was provided. On April 1, 2003, Judge Mund sustained the objection permitting only \$10,00 per month in gross income.

! On February 12, 2003, the U.S. Trustee successfully objected to the employment of a firm as counsel for the unsecured creditors' committee in the Chapter 11 case of Granada Hills Community Hospital. The firm failed to disclose its prior, and possibly ongoing, relationship with the creditors' committee chairman. A member of the firm, in his capacity as a Chapter 7 trustee, hired the chairman as an accountant in 13 cases over the past seven years. The firm failed to disclose this relationship.

## CRIMINAL CASES

### Los Angeles

On March 10, 2003, Lloyd M. Segal pled guilty to bankruptcy fraud. On his petition, filed on February 7, 2000 with the U.S. Bankruptcy Court, Segal used a false middle initial and SSN. In addition, although Segal indicated he had not filed bankruptcy within the previous six years, he had, in fact, filed at least three bankruptcy cases during this time period.

Segal also filed bankruptcy on June 2, 1998. He again filed using a false social security number and indicating he had filed no bankruptcy cases during the last six years. Sentencing is scheduled for June 9, 2003.

On December 12, 2002, the U.S. Attorney for the Central District of California filed charges against the following four defendants involved in identity theft for the purposes of fraudulently obtaining credit or attempting to conceal their identity in bankruptcy proceedings. These identify theft cases were the result of referrals from the U.S. Trustee's office:

John D. Keel - indicted on charges of bankruptcy fraud and misuse of a SSN.

Arla Waxman - charged with using false SSNs.

Armando Chavez - charged with using a false SSN and making a false statement in a bankruptcy proceeding.

Jose Hernandez - indicted on charges of using a false SSN and making a false statement in a bankruptcy proceeding.

### Santa Ana

### Bankruptcy Fraud Sweep Leads to Charges Against 13

On March 13, 2003, the U.S. Attorney for the Central District of California announced charges against 13 defendants who allegedly engaged in various types of bankruptcy fraud, including concealment of assets, false statements in bankruptcy, improper use of the bankruptcy system to facilitate other fraud schemes, and use of false SSNs in bankruptcy cases. The Santa Ana office of the U.S. Trustee referred all of the cases to the U.S. Attorney and assisted in the investigations.

The criminal prosecutions are being handled by AUSA Robert J. Keenan who was profiled in the August 16, 2002 edition of The Watchdog. In that profile, Mr. Keenan had a blunt warning for those who would use bankruptcies to further fraudulent schemes or other criminal conduct in Orange County: "Don't!" The profile then continued stating that "[t]his is not an empty threat." Based on these cases, we now know for certain that it was not an empty threat.

The following defendants were named:

**Mark Steven and Leslee Jean Conner Manderson**

- charged with concealing substantial assets and making false statements in connection with their bankruptcy case.

**Michael and Martha Elizabeth Gordon** - charged with concealing stock and interests in financial accounts held in the name of their business NCP Investment Corp.

**Frank R. Martinez** - charged in a two-count indictment that alleged he engaged in bankruptcy fraud.

**John Carl Reynolds** - charged in a four-count indictment that alleged he misused the SSN of another person to file bankruptcy and made other false statements in connection with the bankruptcy proceeding.

**Sharon Lynn Egan** - indicted on two counts of making false statements in connection with her bankruptcy case.

**Rafael Berrios** - indicted on two counts of making false statements in connection with his recent bankruptcy case. In that case, debtors Rafael and Amparo Berrios filed a voluntary Chapter 7 petition on November 19, 2002 in pro per, seeking to discharge \$271,558 of unsecured debt. Rafael Berrios, an enjoined bankruptcy petition preparer, listed one prior bankruptcy but failed to disclose at least five prior bankruptcies wherein he had used three different SSNs that were also different from the SSN on the most recent petition. He also made false statements under oath at his § 341(a) meeting. Rafael Berrios is a business associate of Ilda Valenca. [See 9<sup>th</sup> Circuit Dismisses Appeal of False ID Filer above.]

**Thomas R. Reyes** - indicted on one count of bankruptcy fraud and two counts of making false statements in connection with his recent bankruptcy case.

**Bennie Leo and Susan Birch** - indicted on charges of making false statements to conceal several financial accounts and the Birch's interest in a

landscape business, known as Birch Landscape Company.

**Erik Steven Fierro**, who was in state custody on related charges, was summoned into federal court on two counts of making false statements in connection with his most recent bankruptcy case.

In many of these cases, the U.S. Trustee Office of Santa Ana also took civil action, for example:

Rafael Berrios' discharge was denied on the U.S. Trustee's § 727 adversary complaint. [Entered 3/31/03]

Thomas R. Reyes' case was dismissed with prejudice on U.S. Trustee motion. [Entered 9/25/02]

Frank Martinez was sanctioned \$6,086.25. [Entered 2/22/01]

Sharon Lynn Egan's case was dismissed with prejudice. [Entered 11/5/02]

## TRUSTEE PROFILE

### Profile of Amrane Cohen, Chapter 13 Standing Trustee in the Santa Ana, California Office

Mr. Cohen was born and raised in Morocco. He left that country to go to college in Pau, a small town in the Southwest of France. He then transferred to UCLA, where he received an undergraduate degree in Economics and a MBA in Finance and Information Systems.

In between obtaining his degrees, he worked as a stockbroker with Merrill Lynch. He later joined Coopers & Lybrand as a management consultant in accounting and financial systems. While working in the capacity of Senior Manager on a project to redesign all business systems in a Ticor subsidiary, he was offered the position of Senior Vice President for Operations of that subsidiary. He was subsequently promoted to Chief Operating Officer. When Ticor was sold in 1991, Amrane enjoyed his golden parachute by spending the next 18 months discovering the local beach and investigating various applications of mapping technology on PCs.

Tiring of the easy life, Amrane decided to re-enter the workforce, and in 1993 was appointed Standing Trustee of the Riverside/San Bernardino and Santa Ana divisions. In 1999, the trust operations split and he has served as Standing Trustee for the Santa Ana office since that time. As a result of his involvement in the separation of the trust operations, Amrane became an expert on the splitting and combining of Chapter 13 case loads, and the forms he developed to effect the split have been used by other regions throughout the country.

Amrane's expertise with computers has allowed him to introduce many innovations to his office, such as automated analysis of cases and document imaging. His office has served as one of the three prototypes across the country in imaging and many of the procedures developed for his office are now standard operating procedures in the Chapter 13 area.

In his third year as a trustee, Amrane joined the National Association of Chapter 13 Trustees (NACTT) and was asked to develop procedures for peer review in conjunction with two other standing trustees. The work plan developed for that review is still in use by the NACTT. Last year he served as Treasurer of the Association, and he is currently serving as Secretary.

Amrane has been active in debtor education. He has offered Chapter 13 debtors a financial education class which includes goal setting and budgeting, and gives the debtors an opportunity to ask questions about procedures in Chapter 13 cases. The classes draw up to 25 participants and the evaluations by the attendees have been extremely positive. He has used the Trustee Education Network (TEN) materials in these classes.

It is Amrane's opinion that the quality of the Chapter 13 filings in a particular area is a function of the quality of the debtor's bar in that area. He considers himself lucky to have been a trustee in Riverside and Santa Ana, two divisions that have excellent debtors' and creditors' bars. This allows many of the issues to be resolved at the § 341(a) meetings, leaving the legal issues and true controversies to be decided by the judges.

Almost two-thirds of the cases he has administered

proposed a 70% or more dividend to the unsecured creditors. In the last two years, he has closed as many confirmed cases through discharge as through dismissal, which is a major increase in completion rates in Chapter 13 cases.

When all the controversies are resolved, the Chapter 13 trustee is the one who most directly experiences the sense of accomplishment that the debtors derive from a successful Chapter 13 case. Amrane stated that the many letters and telephone calls he receives from debtors who have completed their plans make "this strange job" worthwhile.

On a personal note, Amrane has been married for 31 years to Hilary, who he met in his college days in Pau. They have a fourteen year old daughter.

## COMMUNITY OUTREACH AND EDUCATION PROGRAMS

### Consumer Debtor Education Brown Bag Meetings



The following meetings are scheduled:

July 16 - *Why, When and How Trustees Operate Chapter 7 Business Cases*

Speaker: Heide Kurtz, Chapter 7 Trustee

September 17 - *Consumer Bankruptcy Tax Issues - What Debtor's Counsel Needs to Know*

Speakers: Wes Avery, Consumer Debtor Attorney; John Menchaca, Chapter 7 Trustee

November 4 - *The Basics of Litigating Cases under 11 U.S.C. § 523*

Speaker: J. Scott Bovitz, Consumer Debtor Attorney

The meetings are free and take place from 12 noon to 1:00 p.m. at Ernst & Young Plaza, 725 South Figueroa Street, Los Angeles in room #101 on the ground floor. All programs qualify for one hour of MCLE credit to the participants.



**"Dear Sherlock:"**

(A column for fraud-fighters seeking advice)



What educational and pro bono services are available to debtors who cannot afford an attorney?

Signed,  
Desperate In Pro Se Debtor

**Dear Desperate In Pro Se Debtor:**

There are numerous organizations that provide free services to persons who cannot afford an attorney, for example: LA Free Clinic (323/655-2697); Legal Aid Foundation of Los Angeles (213/640-3881); Los Angeles Center for Law and Justice (323/276-8880); Bet Tzedek Legal Services (323/939-0506); Public Counsel Law Center (213/385-2977; 714/541-1010); Legal Aid Society of Orange County (800/834-5001; 714/571-5200); Legal Aid Society of San Bernardino (909/889-6338).

The offices are either staffed by lawyers or utilize the services of private practitioners who volunteer their services on a pro bono basis. Usually, there are income or age requirements which determine eligibility. These organizations also have a variety of educational materials on various consumer topics.

After a bankruptcy petition has been filed without an attorney, Public Counsel's Debtor Assistance Project in Los Angeles County is also available to provide representation to low-income pro se debtors in non-dischargeability actions and to counsel and advise debtors at reaffirmation hearings. The Public Counsel Debtor Assistance Project can be reached at (213) 385-2977, Ext. 704, or [www.publiccounsel.org](http://www.publiccounsel.org).

The project is constantly seeking attorneys who are interested in volunteering their time and expertise to help unrepresented consumers.

Signed,

**Sherlock**

**CIVIL ENFORCEMENT 2001/2002 COMPARISON**

The results of the Central District of California's Civil Enforcement Program are detailed below.

<b>FILINGS</b>	<b>FY 2001 (10/1/00-9/30/01)</b>	<b>FY 2002 (10/1/0-9/30/02)</b>	<b>% CHANGE FY 2002 vs. FY 2001</b>
§ 707(b) motions	240	328	36.7%
Actions under § 110	464	680	46.6%
Actions under § 327 and § 1103 - objections to	199	247	24.1%
Attorney Sanctions/Fee Disgorgement motions	45	98	117.8%
§ 1112(b) Motions to Convert/Dismiss	329	544	65.3%
§ 1125 Objections to Disclosure Statement	136	212	55.9%
§ 1129 Objections to Confirmation of Plans	4	27	575.0%
§ 1104 Motions to Appoint Trustee	16	31	93.8%
Ch 7 § 326 & § 330 - Objections to Trustee Fees	17	85	400.0%
Ch 7 Objections to Professional Fee Requests	26	140	438.5%